

REMARKS

Claims 1-41 were previously pending in this application, with claims 21-39 and 41 being withdrawn. By this amendment, claims 1, 3-20 and 40 are being amended. Claim 2 is being canceled without prejudice or disclaimer, and new claims 42-60 are being added. As a result, claims 1-60 are pending, with claims 21-39 and 41 being withdrawn. Claims 1, 40 and 57 are independent claims. No new matter has been added.

Rejections Under 35 U.S.C. §112, First Paragraph

Claims 1-20 and 40 were rejected under 35 U.S.C. §112, first paragraph as being not supported by either an asserted utility or a well-established utility. According to the Office Action, one of ordinary skill in the art would not know how to use the claimed invention because the person skilled in the art would need to know how to choose the maximum coefficient ratio.

The selected maximum coefficient ratio limitation has been deleted from claim 1. Accordingly, withdrawal of this rejection of claim 1 is respectfully requested. Each of claims 4-20 depends either directly or indirectly from claim 1, and claim 40 has been rewritten into an independent claim and does not include a selection of a maximum coefficient ratio. Accordingly, withdrawal of the rejections of these claims is also respectfully requested.

An act of selecting a maximum ratio is now recited in new dependent claim 52. Claim 52 recites, *inter alia*, selecting a maximum ratio of a largest weight coefficient relative to a smallest weight coefficient, wherein the maximum ratio is less than a ratio of the market capitalization of the company associated with the financial instrument to which the largest weight coefficient is assigned to the market capitalization of the company associated with the financial instrument having the smallest weight coefficient. As amended, one of ordinary skill in the art would know how to choose a maximum coefficient ratio in claim 52 because an upper limit to this ratio is provided in the claim. Additionally, the specification provides several options for a selected maximum ratio at page 14, lines 1-9, although these examples are not intended to be limiting as any suitable maximum ratio may be selected.

Claim 3 has been amended to depend from claim 52, and the withdrawal of this rejection is respectfully requested for at least the same reasons presented above for claim 52.

Rejections Under 35 U.S.C. §112, Second Paragraph

Claims 1-20 and 40 were rejected under 35 U.S.C. §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Regarding claim 1, the Office Action states that the phrase, “allocating individual weight coefficients corresponding to said selected financial instruments” is not definite because a person of ordinary skill in the art would be uncertain what “selected instruments” are to be selected since no guidance in the claims or specification indicates the proper selection of instruments to be chosen. Applicants respectfully disagree. Page 19, lines 20-29 of the specification clearly describe several methods of selecting financial instruments as part of the methods disclosed in the application. For example, a user may select the 5000 largest companies in a country based on the market capitalizations of companies. In another example, a user may select the 2000 smallest companies based on market capitalizations. On page 22, lines 21-26 of the specification, selected financial instruments include stocks of the 2500 largest U.S. companies based on market capitalization. In other examples, as described at page 16, lines 23-27 of the specification, a user may select companies in a particular market sector.

The method of claim 1 is not necessarily intended to produce a result that recommends which financial instruments an investor should purchase. Instead, as part of a method creating an investment fund or an investment trust, a plurality of financial instruments are identified and weight coefficients are assigned to the identified financial instruments. To make claim 1 clearer, the claim has been amended to recite that a plurality of financial instruments are identified according to one or more criteria provided by a user. As discussed above, one example of a criterion to be used includes the values of market capitalization of companies associated with financial instruments. Another example of a criterion to be used is market sector information. The method does not necessarily pick the best performing stocks (or other instruments) or predict individual stock

performance. That is not its purpose. Hence the claim clearly defines a method of what is done with respect to stocks meeting the selection criteria. Generation of selection criteria is not part of the invention. Use of them is.

Because the identification of financial instruments is not indefinite, withdrawal of this rejection of claim 1 is respectfully requested. Each of claims 4-20 and 40 was rejected under §112, second paragraph because of their dependency on claim 1, and accordingly, withdrawal of these rejections also is respectfully requested. Claim 3 has been amended to depend from claim 52, and thus withdrawal of the rejection of claim 3 under §112, first paragraph is respectfully requested.

Claim 2 has been canceled without prejudice or disclaimer, and thus the rejection of claim 2 is moot.

Regarding claim 12, it is stated in the Office Action that the phrase “or other sectors” is not definite. Claim 12 has been amended to delete the phrase “or other sectors”. Accordingly, the withdrawal of this rejection of claim 12 is respectfully requested.

Provisional Double Patenting Rejections

Claims 1-20 and 40 were provisionally rejected on the ground of nonstatutory obviousness-type double patenting as be unpatentable over claims 1-110 of copending Published Application No. 2005/0060254 A1. Once the claims of the present application are deemed allowable except for the provisional double patenting rejection, if appropriate, Applicants will file any necessary terminal disclaimer per MPEP §804.

Claims 1-20 and 40 were provisionally rejected on the ground of nonstatutory obviousness-type double patenting as be unpatentable over claims 1-40 of copending Published Application No. 2003/0014343. Such a rejection is incorrect because Published Application No. 2003/0014343 is, in fact, the present application. Accordingly, withdrawal of this provisional rejection is respectfully requested.

Rejections Under 35 U.S.C. §103

Claims 1, 2, 6, 13 and 40 were rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,061,663 to Bloom et al. (hereinafter, "Bloom") in view of U.S. Patent No. 7,177,831 to O'Shaughnessy et al. (hereinafter, "O'Shaughnessy"). Claims 3, 4, 5, 7 and 18 were rejected under as being unpatentable over Bloom and O'Shaughnessy and further in view of U.S. Patent Application No. US2002/0042037 to Kam. Claims 8, 17, 19 and 20 were rejected as being unpatentable over Bloom and O'Shaughnessy and further in view of U.S. Patent No. 6,601,044 to Wallman. Claims 9 and 10 were rejected as being unpatentable over Bloom and O'Shaughnessy and further in view of admissions by the Applicant. Claims 14, 15 and 16 were rejected as being unpatentable over Bloom and O'Shaughnessy and further in view of U.S. Patent No. 6,064,985 to Anderson. Claims 11 and 12 were rejected as being unpatenable over Bloom and O'Shaughnessy and further in view of U.S. Patent No. 6,907,403 to Klein.

According to the Office Action, Bloom teaches maintaining purchased financial instruments for a selected time period regardless of market conditions. Claim 1 has been amended to recite substantially maintaining purchased financial instruments for more than two years.

Bloom is directed to rebalancing a capitalization weighted stock index. As described in column 3, line 63 through column 4, line 2 of Bloom, rebalancing occurs if either of two conditions are met. Each of the conditions is based on market capitalization ratios of the stocks. Because Bloom teaches changing the weighted effect of one or more stocks on the index whenever either of two market capitalization conditions are met, Bloom does not teach or suggest substantially maintaining purchased financial instruments for more than two years. Accordingly, withdrawal of this rejection of claim 1 under §103 is respectfully requested.

Each of claims 4-20 depends directly from claim 1, and withdrawal of the rejections of these claims is respectfully requested for at least the same reasons provided above for claim 1.

Claim 40 has been amended to be an independent claim. As amended, claim 40 recites at least one computer readable medium comprising an algorithm for performing steps of a method, the

method comprising, *inter alia*, indicating, based on weight coefficients, an amount of each of a plurality of identified financial instruments to be purchased and held for more than two years. As discussed above, Bloom teaches rebalancing the weighted effect of one or more stocks whenever either of two conditions involving market capitalizations are met. Consequently, Bloom does not teach or suggest indicating an amount of each of a plurality of identified financial instruments to be purchased and held for more than two years. Withdrawal of the rejection of claim 40 is respectfully requested.

General Comments Regarding Dependent Claims

Because each of dependent claims 4-20 depends either directly or indirectly from a base claim that is believed to be in condition for allowance, Applicants believe that it is unnecessary at this time to argue the allowability of each of the dependent claims individually. However, Applicants do not necessarily concur with the interpretation of the dependent claims as set forth in the Office Action, nor do Applicants concur that the basis for the rejection of any of the dependent claims is proper. Therefore, Applicants reserve the right to specifically address the patentability of the dependent claims in the future, if deemed necessary.

General Comments Regarding Application Family

Applicant wishes to point out that U.S. Patent Application No. 10/984,338 (the '338 application) is a continuation of the present application. While the Examiner is of course welcome to consult the prosecution file history of the '338 application, for purposes of the present application, Applicant intends for the above amendments and remarks to stand on their own in furthering the prosecution of the present application. Accordingly, Applicant disavows all statements presented in the prosecution of the '338 application as the claims herein are different claims to which those statements may not apply, and intends for such statements to not be incorporated by reference into the prosecution file history of the present application.

New Claims

Independent claim 57 is directed to a method of creating an investment portfolio. The method includes, *inter alia*, an act of identifying, according to one or more criteria, a plurality of financial instruments publicly traded on an exchange, each financial instrument being associated with a company having an annual earnings. The method further includes allocating a weight coefficient to each of said identified financial instruments based at least in part on a value of the annual earnings of each associated company relative to values of the annual earnings of others of the companies associated with the plurality of identified financial instruments. An act of purchasing an amount of each of the identified financial instruments is also included, as is an act of substantially maintaining the purchased financial instruments for more than two years. Support for new claim 57 may be found throughout the application, including, for example, at page 30, lines 1-3.

The index weighting scheme described in Bloom is based on market capitalizations. Bloom does not teach or suggest allocating a weight coefficient to each of a plurality of identified financial instruments based at least in part on a value of the annual earnings of each associated company relative to values of the annual earnings of others of the companies associated with the plurality of identified financial instruments. Additionally, Bloom does not teach or suggest substantially maintaining purchased financial instruments for more than two years. Accordingly, for at least these reasons, new claim 57 and its dependent claims are believed to be patentable.

Support for new dependent claim 42 may be found throughout the application, including for example, at page 14 lines 10-15.

Support for new dependent claim 43 may be found throughout the application, including for example, at page 16 lines 5-6.

Support for new dependent claim 44 may be found throughout the application, including for example, at page 14, lines 12-15 and at page 16 lines 2-4.

Support for new dependent claim 45 may be found throughout the application, including for example, at page 21 lines 2-4.

Support for new dependent claim 46 may be found throughout the application, including for example, at page 31 lines 11-13.

Support for new dependent claim 47 may be found throughout the application, including for example, at page 31 lines 11-14.

Support for new dependent claim 48 may be found throughout the application, including for example, at page 38 lines 16-17.

Support for each of new dependent claims 49-51 may be found throughout the application, including for example, at page 16 lines 21-22 .

Support for new dependent claim 52 may be found throughout the application, including for example, at page 20 lines 11-29 and at page 15, lines 1-5.

Support for new dependent claim 53 may be found throughout the application, including for example, at page 22, line 28 through page 23, line 8.

Support for new dependent claim 54 may be found throughout the application, including for example, at page 19, lines 20-29.

Support for new dependent claim 55 may be found throughout the application, including for example, at page 15 lines 24-27.

Support for new dependent claim 56 may be found throughout the application, including for example, at page 14 lines 23-29.

Support for new dependent claim 58 may be found throughout the application, including for example, at page 29 line 28 through page 30, line 7.

Support for each of new dependent claims 59-60 may be found throughout the application, including for example, at page 17 lines 6-7.

CONCLUSION

A Notice of Allowance is respectfully requested. The Examiner is requested to call the undersigned at the telephone number listed below if this communication does not place the application in condition for allowance.

If this response is not considered timely filed and if a request for an extension of time is otherwise absent, any necessary extension of time is hereby requested. If there is a fee occasioned by this response, including an extension fee, that is not covered by an enclosed check, please charge any deficiency to Deposit Account No. 23/2825.

Dated: September 24, 2007

Respectfully submitted,

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